

REMARKS

This responds to the Final Office Action mailed on June 26, 2007.

Claims 15, 51, 87 and 116 are hereby amended. Claims 16-18, 21, 52-54, 57, 88-90 and 93 are hereby canceled. As a result, claims 15, 19-20, 51, 55-56, 87, 91-92 and 116 are now pending in this application.

§103 Rejection of the Claims

Claims 15, 51, 87 and 116 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over Nishi (U.S. Publication No. 2002/0161691A1; hereinafter Nishi) in view of Holden et al. (U.S. Publication No. 2001/0032175A1; hereinafter Holden).

Applicants have amended claims 15, 51 and 87 to include the claimed subject matter from (now cancelled) claims 21, 57 and 93 respectively. Claim 116 has been similarly amended. Applicants submit that the rejection under 35 U.S.C. § 103 of claims 15, 51, 87 and 116, as amended, is improper because the cited prior art references, considered singularly or combined, do not teach or suggest all of the claim elements.

Applicable Law.

In rejecting claims under 35 U.S.C. §103, the examiner bears the initial burden of factually supporting any *prima facie* conclusion of obviousness. See M.P.E.P. §2142.

In the recent decision of the Supreme Court on *KSR Int'l Co. v. Teleflex Inc.*¹, the analysis of obviousness previously set forth in *Graham v. John Deere Co. of Kansas City*², was reaffirmed. The Court in *Graham* set out an objective analysis for applying §103 as follows:

“Under §103, the scope and content of the prior art are to be determined; differences between the prior art and the claims at issue are to be ascertained; and the level of ordinary skill in the pertinent art resolved. Against this background the obviousness or nonobviousness of the subject matter is determined.”³

¹ 127 S.Ct. 1727, 82 USPQ.2d 1385 (2007).

² 383 U.S. 1, 17, 86 S.Ct. 684, 15 L.Ed.2d 545 (1966).

³ The Court in *KSR v. Teleflex*, at page 1730, quoted the analysis of *Graham* from page 18.

When claim elements are found in more than one prior art reference, the fact finder must determine “whether a person of ordinary skill in the art, possessed with the understandings and knowledge reflected in the prior art, and motivated by the general problem facing the inventor, would have been led to make the combination recited in the claims.” *In re Kahn*⁴. In so doing, the Examiner must make the factual determinations set forth in *Graham v. John Deere Co. of Kansas City*⁵.

Further, to establish *prima facie* obviousness of a claimed invention, all the claim limitations must be taught or suggested by the prior art. *In re Royka*⁶. “All words in a claim must be considered in judging the patentability of that claim against the prior art.” *In re Wilson*⁷. Office personnel must rely on the applicant’s disclosure to properly determine the meaning of the claims. *Markman v. Westview Instruments*⁸.

Claim 15 as amended recites in part:

an auction price-setting process executed from the memory by the processor to cause the processor to lower a reserve price associated with a listing of an item during a network-based auction price-setting process to an adjusted reserve price, and to lower a proxy bid of a buyer to a predetermined amount below the adjusted reserve price when the proxy bid is higher than the adjusted reserve price.

As such, claim 15 involves lowering a reserve price to an adjusted reserve price, and lowering a proxy bid of a buyer to a predetermined amount below the adjusted reserve price when the proxy bid is higher than the adjusted reserve price.

Neither Holden nor Nishi describe or suggest this claim element. In the Final Office Action, in rejecting claim 21 the Examiner asserts that Nishi describes this claim element at paragraphs 0138-0145 and 0156-0174. Applicants disagree.

Paragraphs 0138-0145 of Nishi describe how a high bid is determined during a bidding period when real-time bidding and “representation bidding” (e.g., proxy bidding) are occurring.

⁴ 441 F.3d 977, 988, 78 USPQ2d 1329, 1337 (Fed. Cir. 2006).

⁵ 383 U.S. 1 at 467.

⁶ 490 F.2d 981, 180 USPQ 580 (CCPA 1974).

⁷ 424 F.2d 1382, 1385, 165 USPQ 494, 496 (CCPA 1970).

⁸ 52 F.3d 967, 980, 34 USPQ2d 1321, 1330 (Fed. Cir.) (*en banc*), *aff'd*, U.S., 116 S. Ct. 1384 (1996).

Paragaraphs 0138 -0145 of Nishi do not describe or suggest that a proxy bid is lowered when a reserve price is lowered.

Paragraphs 0156-0174 of Nishi describe the conditions that must be met for an assessor or seller to modify a reserve price. However, the cited passage from Nishi does not describe or suggest, “lower[ing] a reserve price associated with a listing of an item ... to an adjusted reserve price, and [lowering] a proxy bid of a buyer to a predetermined amount below the adjusted reserve price when the proxy bid is higher than the adjusted reserve price,” as is claimed.

At least for the reasons set forth above, claim 15 is not obvious in view of Nishi and Holden. As claims 51, 87 and 116 include similar claim elements to claim 15, these claims are not obvious in view of Nishi and Holden for the same reasons that claim 15 is not obvious. Moreover, the dependent claims are not obvious at least for the same reasons. Accordingly, Applicants respectfully request that the claim rejections be withdrawn and the claims allowed.

CONCLUSION

Applicants respectfully submit that the claims are in condition for allowance and notification to that effect is earnestly requested. The Examiner is invited to telephone Applicants' attorney at 408-660-2014 to facilitate prosecution of this application.

If necessary, please charge any additional fees or credit overpayment to Deposit Account No. 19-0743.

Respectfully submitted,

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CERTIFICATE UNDER 37 CFR 1.8: The undersigned hereby certifies that this correspondence is being filed using the USPTO's electronic filing system EFS-Web, and is addressed to: Mail Stop Petitions, Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450 on this 17th day of February, 2010.

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